

## Testimony to the Appropriations Committee regarding HB 5037

Date February 17, 2022

Good Evening Sen. Osten, Rep. Walker, and members of the Appropriations Committee. My name is Liz Fraser, I am the Policy Director for the Connecticut Association for Human Services, a division of Advancing Connecticut Together.

Over the past several decades, perhaps longer, many early care providers have struggled financially. Over the past several years, the financial strain has turned into a widespread crisis, affecting all types of public, non-profit and for-profit centers, and family home programs.

The pandemic did not cause the crisis, but it has illuminated the three basic, interrelated problems of early care and education — affordability, access, and quality, which includes the front-line status and precarious financial position of early educators. Simply put, the business model no longer works in a modern economy. Sadly, the Governor's proposed budget offers no tangible relief to the business owners and providers who have been there throughout the pandemic for families and for our state.

A significant investment from Connecticut is immediately needed to stabilize the existing field with compensation relief. A substantially larger investment of both federal and state dollars will be need to build a twenty-first century early childhood system that is of high quality for children, affordable for families, financially viable for providers, and supports the Connecticut economy well into the future.

**Cost to Families:** Families with young children face a significant cost burden, with the average high-quality program costing upwards of \$17,000 for preschool and \$22,000 a year for infants and toddlers<sup>1</sup>. Using the federal affordability guideline of 7% of income<sup>2</sup>, only 20% of Connecticut's families can afford the cost of high-quality care. Among families of color only 5% can afford it. Finding high-quality programs is a challenge for families in all income ranges. Those who are more vulnerable, including children with special education needs, face additional barriers. In all but the wealthiest income brackets, the cost of early care and education is the one of the largest dollar outlays for young families, and prohibits family economic stability.

Low-income families face challenges in navigating a complex system of subsidies; the complexity of the system is one way in which scarce subsidy funds have been rationed. Care4Kids rates to providers do not cover the full cost of care. So, in addition to the family out-of-pocket cost, parents are responsible for the difference. "Middle-income" families lack access to these subsidies. The 2020 United Way of Connecticut, Alice report indicates that a family of four with two young children, earning \$90,600 per year, spends 24% of their earnings on child care.<sup>3</sup> During the pandemic, ARPA funding increased Care4Kids eligibility for families earning up to 60% of median income, or \$75,052 for a family of four,<sup>4</sup> well below the ALICE survival budget. However, when ARPA money is gone, there is great risk that family initial income eligibility will be reduced to pre-pandemic cap of 50% of SMI or 62,543 for that same family.

**Provider Expense-**While the cost of early care and education is the one of the largest dollar outlays for most families, the out of pocket tuition from parents is just not enough to support the small businesses providing care. [Quality child care is expensive](#). Most parents can't afford that much, so providers charge what the market will bear, and have to pay their staff at low wages. Most businesses would just raise the price of their commodity, but childcare is unaffordable now, the large tuition increases needed would be unaffordable for all but the wealthiest of families. The

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<sup>1</sup> <https://costofchildcare.org/>

<sup>2</sup> U.S. Department of Health and Human Services Administration for Children and Families. Child Care Development Block Grant.

<sup>3</sup> [2020ALICEReport\\_CT\\_FINAL-8-20-20.pdf \(ctunitedway.org\)](#)

<sup>4</sup> <https://www.ctcare4kids.com/income-guidelines-for-new-applications/>

state subsidized programs are also at risk. They have not been given an increase since 2015, even with several bumps to the minimum wage, which is still increasing.

Parent fees and current state subsidies cannot support competitive salaries. Providers of child care receive woefully inadequate compensation with the median child care worker in Connecticut earning \$26 790<sup>5</sup> or an average of \$12.88/hour in 2020. An estimated 50% of providers qualify for public assistance. The great majority of providers are women, and a disproportionate number of them are BIPOC. Low compensation has culminated in the current crisis where classrooms are being shut down to lack of staff.

Early educators, with experience and credentials are leaving the field to work at entry level jobs, which now pay more than early care providers, and often offer benefits. Competition exists at all levels with degreed staff leaving for the public-school system. The inability to compensate staff commensurate with their experience, education, and training has reached a critical breaking point.

The entire child care sector is imploding with 1,300 open positions available and few applications<sup>6</sup>. A recent poll demonstrated that: 89% of providers had difficulty with staffing needs, 81% have staff vacancies, 57% have closed classrooms due to staffing, a majority of these programs have a waiting list<sup>7</sup>. Many don't understand that it is the whole field that needs support, not just the 20% of providers that receive state funding. Private, for profit, non-profit and family homes all have worries about keeping their doors open.

**Economics:** This is not just an early childhood problem, it is an economic problem for the state. Parents need to work to support their children, but for families it is unaffordable, and providers are financially unstable. Yet, it doesn't have to be that way. According to the Economic Policy Institute, "meaningful child care reform that capped families' child care expenses at 7% of their income would save a typical Connecticut family with an infant **\$9,194** on child care costs. This would free up **13.2%** of their (post-child care) annual income to spend on other necessities. Parents would have more opportunities to enter the labor force. If child care were capped at 7% of income, 15,349 more parents would have the option to work. This reform would expand Connecticut's economy by 0.8%. That's \$2.1 billion of new economic activity".<sup>8</sup>

Thousands of children across the state are not in child care right now because there are not teachers to fill classrooms. What does that mean for their parents? What does that mean for Connecticut's economic growth? Even as we try to attract businesses and a younger workforce to Connecticut, we are not fully considering the value of early care and education as the underpinning of a strong economy.

The answer is clear, not enough public funding has been put into a system of early care and education that supports the ability of parents to work, raise their families, and contribute to the overall economy. While federal funding is greatly needed, there is the real possibility that it might not be here in time to provide much needed relief. If we want to keep our young adults in the state, and attract a young, and vibrant workforce to Connecticut, then we need to value early care and education as a public good, and give parents the opportunity to be financially secure in our state. That begins with this budget.

Thank you for your time.

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<sup>5</sup> <https://www.bls.gov/oes/current/oes399011.htm>

<sup>6</sup> List of available early childhood positions. Indeed. January 15 2022.

<sup>7</sup> CT Early Childhood Alliance. Survey of Providers. January 2022.

<sup>8</sup> Bureau of Labor Statistics. [https://www.bls.gov/oes/current/oes\\_nat.htm](https://www.bls.gov/oes/current/oes_nat.htm)

The following pages are filled with stories from providers that demonstrate what the early care field is concerned about.

Provider Stories gathered at February 7, 2022 Legislative Forum Sponsored by:



1. Not only have we had to limit enrollment due to lack of staff, we have lost \$20,411 in tuition in the last 3 months due to quarantines. This is not sustainable.
2. We are a CDC center - state funded. We have high school staff who are making the same amount (minimum wage) as our teaching assistants who have worked with us for years - some 15 plus years. This is just not right! We have AA staff making almost the same amount as our BA staff as we cannot pay the BA staff more money. We had to give bonuses with stabilization money as it was stabilization for now not the future!! We have not seen increases in slot rates for years. This impacts hiring and keeping current staff.
3. I am the owner of Forever Young Child Care Learning Center located in Manchester for over 22 years. We are struggling financially due to the pandemic. The areas of major concern are staffing shortages, low wages (not being competitive to the marketplace), supply costs and most importantly government subsidized tuition fees are below market pricing. These factors have placed our center at a very high risk of closing. We have capacity for 124 children and our current enrollment has not recovered from pre pandemic enrollments. We are at 60% of pre pandemic enrollment. We cannot survive on present conditions. I have exhausted all SBA funding availability.
4. Riverfront Children's Center receives School Readiness and Child Day Care subsidies for 60% of the children at the center. The funding received and the parent fee do not cover the cost of care. With funding that has not kept up with the increase of minimum wage, we are facing even greater financial challenges as the minimum wage goes to \$15 per hour. An increase in the per child reimbursement rate is critical.
5. Good Morning, My name is Tina Valentin and I'm the director of Childcare Operations for the Meriden New Britain Berlin YMCA. Pre pandemic our programs provided childcare to approximately 700 families within the communities of Meriden, Berlin and New Britain. At this time enrollment is on the rise, just a few months ago our struggle was enrollment, now families are headed back to work and aggressively seeking childcare options for their infants, toddlers and preschoolers. Childcare options that are safe, quality, affordable and consistent for their most prized possessions. Staffing today continues to remain our biggest challenge to juggle. Recently the Y attempted to open 3 new infant toddler classrooms to address the need within the community. While we have wait lists and students to fill those slots we do not have the staff to cover all of our classrooms, staff are working around the clock tirelessly for a wage that is barely livable here in Connecticut. Every other day we are closing classrooms.
6. "have staff and students testing positive and the vicious cycle continues, week after week after week. With each classroom closure brings additional staffing shortages and 2 week notices from staff members who are afraid of the virus and have been working tirelessly. Many ask themselves everyday is this paycheck worth the struggle, worth the risk of potentially bringing a virus we know so little about home to our own families.
7. In September program directors were given another hurdle to jump through pertaining to hiring staff, it was mandated that all staff members hired after 9/27 be fully vaccinated those partially vaccinated would have submit to weekly testing on an ongoing basis until fully vaccinated. Tests were difficult to access, and the backup on results presented difficult staffing challenges daily. Many applicants are still not comfortable vaccinating themselves further shrinking the pool of applicants."
8. No Childcare=No Laborforce=failing economy

9. "Many early educators chose to retire in March of 2020, for fear that their own health was at stake, many were considered high risk and made the determination to leave the workforce. Others chose to remain at home with their families. With the positivity rate on the rise we are left short staffed and face difficult decisions that could potentially compromise the quality of our programs. Cohorting staff becomes nearly impossible when executive staff such as myself are floating from program to program to make it through one day at a time just to encounter the same struggles of staffing the following day. While the Y has been creative in staffing we are still presented with the same struggles daily.
10. Currently We have two classrooms we are unable to find any staff for let alone a QSM with a degree. Directors, and executive staff with the degrees are filling in, however we can not run like this much longer. We are underpaid, under appreciated, yet not under educated. We provide not only quality care and education"
11. Another way to raise wages is to reduce ratios. How do we compare to other states? Also, I urge you to make a distinction between full day daycare and part time preschools. Not apples to apples.
12. "We provide not only quality care and education to the youngest most vulnerable population but to their families as well. Families call daily with the hopes to access affordable quality childcare and are often turned away or waitlisted until we can find adequate coverage. Many classrooms, we have staggered classroom opening times based upon enrollment trends. I have even been faced with the decisions to contact parents and close classrooms an hour earlier due to the staffing struggles we face. I myself have bounced from program to program in one day covering an hour or two at 4 or 5 programs just to keep the programs all afloat and open.
13. More than ever right now, we as early educators need your support to help push federal support for staff, to help curb this shortage and continue to do what we do best! Educate our future leaders of America!"
14. Despite the key role child care providers are playing in support of other essential industries during the COVID-19 crisis, the child care system as a whole is at risk of collapse due to the economic impact. Many providers are closing their programs, unable to sustain operations with diminishing enrollment and staffing challenges. Others are staying open despite the physical risk, to support the needs of working families in their community. Childcare providers like me want Congress and policymakers to know that child care providers have been forgotten as heroes and essential workers.
15. The crisis is real. More than 41 open positions in New Britain alone. Our center has only 50% enrollment because of staff shortages. Waiting list. No increase in SR fees since 2015. Only way we have survived to date is state and federal assistance. Without continued support at this point we, like many other providers, are looking into the abyss.
16. As a small center licensed for 48 children. 8 Infants 8 Toddlers and the remainder are for Preschool and Schoolage aftercare/Summer. We are not doing school age children at all due to lack of staff and placing priority on the Full Day care program. We are lacking a head teacher in the infant room, a preschool teacher assistant and a floating person for brakes and substitution. I've raised wages without raising tuition at this time and I'm still operating at a shortened day due to lack of staff. -
17. Hello, I am a Site Director of a School Readiness preschool in Waterbury. CT. The reality for the field of early childhood is deeply grim if something does not change now and fast. We have also had to shut down classrooms due to not being able to find teachers. We have had full-time Lead and Assistant teacher positions open for months, coming up on years. New people are not coming into the field, and the people in it are leaving. The public school system has been getting much attention lately with their struggles of not being able to find qualified teachers, but we are in a far worse place as they pay much more than we can, and they cannot remain staffed either. The School Readiness funds that we receive are not even close to enough to pay teachers a fair wage. This field of early childhood care and education is truly in crisis.
18. State funded programs are going through an economic crisis. State reimbursement rate has to change , it is way low compared to the requirements that have to be met.

19. "I'm working in the classroom more than I'm in my office which creates a cycle of having minimal time to interview people and catch up on director work. I've made offers to a few interviews that find closer or better positions.
20. "Student loan debt is another problem that family day care providers are facing. Centers pay for their staff from fundings that they are receiving, but we, FCCPs are on our own. I have a student loan debt on collection along with many providers. You're asking us to get degrees and advance our education but you have to help us by waiving our old debts and grant us free education. Thank you!
21. "Our public school has now announced free universal preK starting next fall, this too will greatly impact revenue and support for my current staff. ❤️
22. We are turning away families, have waiting lists, inquiries for summer program and I'm feeling unsure I will have the staffing. I'm unsure of being able to cover time off for my staff when requested.
23. We are having Covid issues (worst in the whole pandemic) and lost \$10,000+ due to staff coverage, families not able to pay and concerned about job"
24. Town & Country Early Learning Centers in Middletown and Southington. It's been demonstrated throughout the pandemic that childcare is a necessity to our economy. It is urgent that we address this broken business. Our centers have waiting lists of families needing childcare so that they can work. We cannot enroll any more children due to our staffing shortage. Our centers are operating at about 60% capacity and losing money daily, as expenses continue to rise. We typically hire assistant teachers at, or just above, minimum wage. They are typically eligible for all state assistance programs - this is an absolute shame. A person working 40 hours/week in an essential business should not also be eligible for state assistance programs. We typically hire teachers at \$16-17/hour who are required to have earned a bachelor's degree in Early Childhood. I'm getting no candidates to apply for these vacant positions. Parents cannot be expected to carry the burden of repairing this industry with increased tuitions
25. I would just like to add, this crisis is really two-fold. It's the pay and the immense stress of the job. The 1:10 ratio is no longer reasonable, but we cannot afford to decrease those ratios or hire support staff as we struggle just to reach the minimum staffing requirement. This has led to the closed classrooms in order to meet the 1:10 ratio with the staff we have. This is a core reason why people are burning out of this field. If significantly more funds are not put into this field soon, the field is going to crumble.
26. Not only are teachers unpaid, many directors are underpaid and working non-stop. Directors need support as well. We need encouragement and help to get director credentials and benefits.
27. We state funded childcare centers are finding ourselves faced with a difficult balancing act. The economic impact of the pandemic is critical. We need to bring back a semblance of normalcy both for the sake of the families we serve and to lessen the financial toll on our businesses.
28. Good morning- I've been operating a family home daycare for over 20 years. I have the space and the desire to expand to a group daycare but I do not have the funds to hire and pay staff a living wage for group or my current family childcare. Having additional staff allows providers, children & families to experience a more fulfilling and more effective childcare experience! Please provide appropriate funding for providers to be able to provide the desired, effective, life changing & family supporting experience to our communities.....to our FUTURE.
29. muchas de nosotras trabajamos más de 10 horas al día con los niños más el tiempo que debemos dedicar a la limpieza la contabilidad publicidad y más y todo ese gran trabajo no es pagado lo suficiente un Home daycare solo cuidamos 6 niños y trabajamos todas esas horas y no contamos con los recursos para un seguro médico para sentir que podemos tomar unas buenas vacaciones por qué la economía nunca es suficiente. gracias
30. I completely understand and appreciate the challenges that our early childhood care providers are facing. As a nurse, I can relate to staffing shortages and, at least in the school setting, I can relate to salary challenges. It is critical to the health and wellbeing of children over a lifetime to have good care early on in their lives. No doubt. I do wonder if we should look beyond childcare and school readiness programs and include the option of parents staying home to care for their own children. Can this work of supporting child care programs include incentives for parents to stay home? My daughter lives in Sweden and was provided with a stipend

that helped financially for the first 12 months of life. That could help the staffing issue, at least in the infant rooms, and provide that important bonding opportunity so essential to early childhood an parenting. Or, outside the box, offer mothers of infants jobs in programs. They can bring their children to work...just some thoughts.....

31. We must also be prepared to educate taxpayers. The money to fully fund these types of programs comes from somewhere. Again, I reference Sweden. They offer universal day care and health care but salaries are NOT what they are in the U.S.A. because tax dollars are needed to fund those programs. We must provide education around the necessity and benefit of early childhood programs in our children's lives to the general public around these issues in order to garner the support for the big shifts needed in these systems.
32. I would ask that the Representatives and Senators share what they heard today with other Representatives and Senators. Not having qualified, high quality staff for our children and families. This is important and all need to hear it.
33. How are you distinguishing preschool from child care? Most of us who provide child care also include preschool age children.
34. Program quality is suffering as we staff classrooms with two teachers instead of three, due to staff shortages. Programs also cannot afford to hire new staff and retain their current staff without a significant increase in state funds. State funded programs are highly regulated with requirements that are way above basic licensing. These quality measures cost money, but the state hasn't invested in their NAEYC, high quality centers since 2015. Expenses have gone up 60% including minimum wage and the state payment has been stagnant. Programs only choice to stay afloat is to cut expenses, which means classroom staff and quality materials for the classrooms. We have cut wherever we could to stay open, but we don't have anything left to cut. The state is forcing their own high-quality programs to close.
35. Costs in Fairfield County are far higher. Please do not remove regional rates for Care4Kids.
36. Affordable rentals for teachers is also an issue. In Fairfield County, our teachers keep expanding their search for housing into New Haven County.
37. Please always call us Early Care and Education programs. The term Day care truly demeans what we all do in caring for these precious children.
38. Also let's consider the cost of regulation. Are there any regulations that we really don't need? Let's give a hard look at cutting costs as well as getting money.
39. Just briefly...I have been in business since 1990. This is the first time we are truly in peril of going out of business. We serve over 150 families in the Woodbury/Southbury area. We need action now!
40. We are an after school program serving working families in Stamford. Our K-grade 5 children are 80% free and reduced lunch students, receiving low tuition from our church sponsored program. We are licensed and help these elementary school children predominantly from ELL families who need the academic support we provide after school every day. We also need support. Since the pandemic our full tuition students have not returned, making our finances dependent upon money raised.
41. Please address the low reimbursement rates for Care4Kids. In Fairfield County it is only 40% of what we charge.
42. When you leave the meeting today ,please take this thought away with you. Before children enter kindergarten. The Childcare Industry is preparing those children to be responsible , caring , well prepared individuals.
43. These conversations are so important, our childcare industry is in crisis and help asap

